

GENERAL FUND DEBT SERVICE

Debt service expenditures in the general fund for FY 2009-10 are as follows:

BUDGET SUMMARY	Adopted 2009/10
<u>General Obligation Bonds:</u>	
1993 Street and Sidewalk Series A	108,310
1993 Street and Sidewalk Series B	47,470
1999 Refunding Bonds	421,757
G/O Refunding 2000	<u>155,650</u>
Total General Obligation Bonds	733,187
<u>Installment Financings:</u>	
2006 Fire Station 6 & 11	566,329
1997A Municipal Bldg	1,126,845
1997B Refunding Public Works	435,708
1997C Grove Arcade	151,600
2010 CIP Projects**	<u>179,950</u>
Total Installment Financings	2,460,432
<u>Other Debt:</u>	
MSD	<u>38,000</u>
Total Other Debt Service	38,000
<u>Equipment Lease-Purchases:</u>	
1999 Fire Truck/Trash Cans	12,649
2003 Fire Trucks	170,009
2006 Radio Equip/Fire & PW Vehicles	531,508
2007 & 2008 Equipment Purchases	1,069,136
2009 Equipment Purchases**	<u>415,000</u>
Total Equipment Lease-Purchases	2,198,302
TOTAL GENERAL FUND DEBT SERVICE	<u>5,429,922</u>

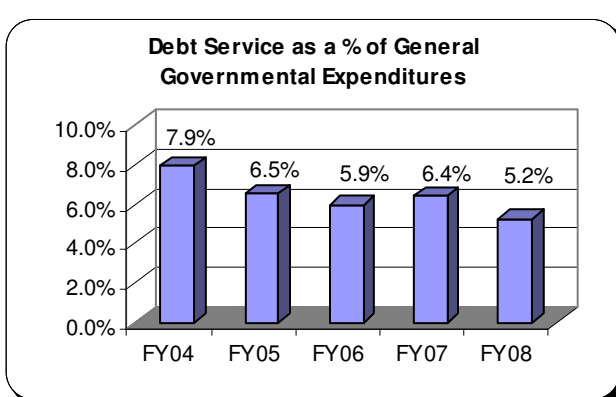
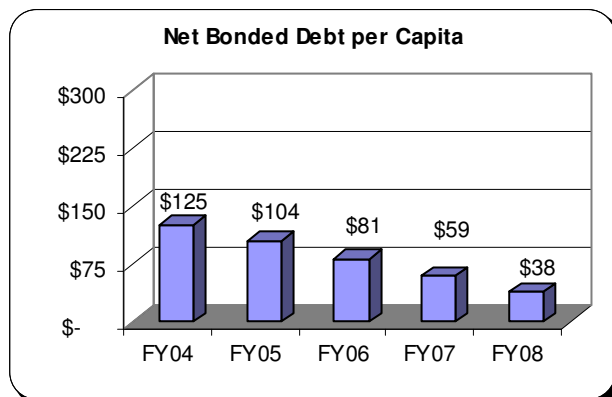
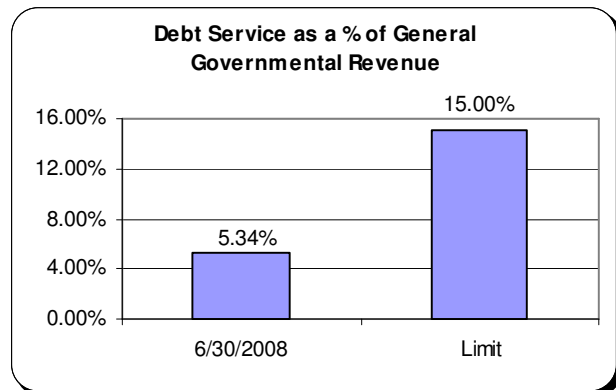
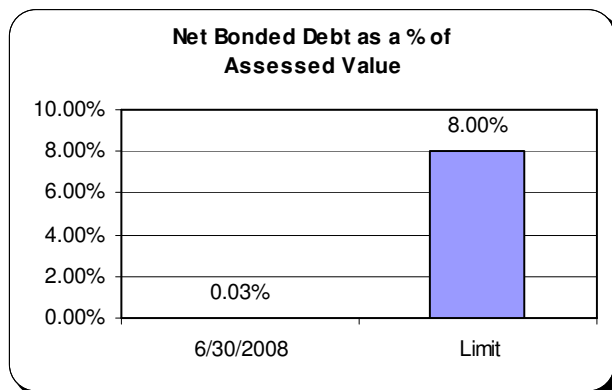
** Estimates

DEBT MANAGEMENT

The objective of the City of Asheville debt management policy is to maintain the City's ability to incur present and future debt at the most beneficial interest rates without adversely affecting the City's ability to finance essential City services.

Policy Statements:

- Capital projects financed through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project.
- The general obligation debt of the City of Asheville will not exceed 8% of the assessed valuation of the taxable property of the City.
- Total debt service on tax-supported debt of the City will not exceed 15% of total general government operating revenue.
- Interest, operating, and/or maintenance expenses will be capitalized only for facilities of enterprise activities and will be strictly limited to those expenses incurred prior to actual operation of the facilities.
- The City will maintain its financial condition so as to maintain a minimum AA bond rating.
- The City's debt policy will be comprehensive and the City will not knowingly enter into any contracts creating significant unfunded liabilities.



DEBT MANAGEMENT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2008

(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County			
Subtotal, overlapping debt	\$ 76,465	36.29%	\$ 27,751
City of Asheville direct debt	2,985	100%	2,985
Total direct and overlapping debt	\$ 79,450		\$ 30,736

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Asheville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

DEBT MANAGEMENT

OUTSTANDING GENERAL OBLIGATION BONDS AS OF JUNE 30, 2008

The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities related to both general and proprietary activities. All general obligation bonds are backed by the full faith, credit and taxing power of the City. Principal and interest requirements are appropriated when due. General obligation bonds outstanding at June 30, 2008 are as follows:

	<u>Interest rates</u>	<u>Date issued</u>	<u>Date series matures</u>	<u>Amount of original issue</u>	<u>Balance outstanding June 30, 2008</u>
General Fund:					
Street, sidewalk and storm drainage, Series 1993A	5.50-5.25%	7/1/1993	2/1/2013	1,300,000	440,000
Street, sidewalk and storm drainage, Series 1993B	5.00-5.25	7/1/1993	2/1/2013	500,000	180,000
General Obligation refunding bonds, Series 1993C	4.00-4.80	7/1/1993	6/1/2008	10,305,000	-
General Obligation refunding bonds, Series 1999	4.00-4.20	2/9/1999	6/1/2012	4,952,360	1,094,595
General Obligation refunding bonds, Series 2000	4.75-5.00	12/01/2000	12/01/2020	1,970,000	<u>1,270,000</u>
Total General Fund					<u>3,984,595</u>
Enterprise Fund:					
Water - 1995	5.40-6.40	6/1/1995	6/1/2011	3,000,000	1,050,000
Water - 1999	4.00-4.20	2/9/1999	6/1/2012	12,217,640	<u>2,700,405</u>
Total Enterprise Fund					<u>3,750,405</u>
Total General Obligation Bonds					<u>6,735,000</u>
Premium on Bonds					<u>16,051</u>
Total GO Bonds & Premium					<u>\$6,751,051</u>

ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Annual debt service requirements to maturity for the City's general obligation bonds are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Total</u>
2009	1,512,010	842,941	2,354,951
2010	1,510,961	733,187	2,244,148
2011	983,711	501,284	1,484,995
2012	63,024	328,661	391,685
2013		235,675	235,675
2014-2018		630,000	630,000
2019-2021		<u>288,750</u>	<u>288,750</u>
Total	<u>\$4,069,706</u>	<u>\$3,560,498</u>	<u>\$7,630,204</u>

DEBT MANAGEMENT

INSTALLMENT FINANCING CONTRACTS

The City has entered into various installment financing contracts with the Asheville Public Financing Corporation, a blended component unit, for renovation and construction of municipal facilities. These contracts were funded by the execution and delivery of Certificates of Participation and certain lease contracts. The outstanding contracts at June 30, 2008 are as follows:

	<u>Interest rates</u>	<u>Date issued</u>	<u>Date series matures</u>	<u>Amount of original issue</u>	<u>Balance outstanding June 30, 2008</u>
General Fund:					
Municipal Building Series 1997-A	4.00-5.13	11/01/1997	6/01/2018	14,045,000	8,660,000
Refunding Series 1997-B	4.00-5.00	11/01/1997	6/01/2011	3,480,000	1,185,000
Fire Stations & Equip. Series 2006	3.92	6/28/2006	6/28/2021	8,030,300	<u>6,358,793</u>
					16,203,793
Enterprise Fund:					
Parking Services Series 1992	5.00-6.50	2/15/1992	2/01/2008	5,385,000	-
Stormwater Series 2006	3.92	6/28/2006	6/28/2011	215,000	<u>129,000</u>
					<u>129,000</u>
Total Installment Financing					<u>\$22,691,586</u>

ANNUAL DEBT SERVICE REQUIREMENTS – INSTALLMENT FINANCING CONTRACTS

Annual debt service requirements to maturity for the installment financing contracts, including interest of \$9,908 for the enterprise fund and \$4,215,779 for the general fund, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Enterprise Funds</u>	<u>General Long-Term Debt Account Group</u>	<u>Total</u>
2009	47,954	2,644,115	2,692,069
2010	46,302	2,614,087	2,660,389
2011	44,652	2,580,938	2,625,590
2012	-	1,663,851	1,663,851
2013	-	1,648,207	1,648,207
2014-2018	-	8,022,323	8,022,323
2019-2021	-	<u>1,246,051</u>	<u>1,246,051</u>
Totals	<u>\$138,908</u>	<u>\$20,419,572</u>	<u>\$20,558,480</u>

DEBT MANAGEMENT

INSTALLMENT PURCHASE CONTRACTS

The City has entered into installment purchase contracts with various agencies for the purchase of assorted assets. These obligations are considered a limited obligation of the City and are secured by the assets themselves.

	Interest Rates	Date Issued	Date Series Mature	Amount of Original Issue	Balance Outstanding at June 30, 2008
Trucks and cans	5.12%	12/9/1999	12/9/2009	\$359,230	\$36,135
Fire Trucks	3.06	11/29/2002	11/15/2012	1,546,308	695,840
Trucks and carts	2.35	4/30/2004	4/30/2009	741,577	155,054
Fire and Sanitation trucks	2.49	6/25/2008	6/1/2013	5,000,000	5,000,000
Total					\$5,887,029

ANNUAL DEBT SERVICE REQUIREMENTS – INSTALLMENT PURCHASE CONTRACTS

Annual maturities on all installment purchase contracts are as follows:

Fiscal Year Ending June 30	Business-type Activities	Governmental Activities	Total
2009	\$	\$1,421,607	\$1,421,607
2010	-	1,251,794	1,251,794
2011	-	1,234,412	1,234,412
2012	-	1,229,681	1,229,681
2013	-	1,147,635	1,147,635
Total	\$	\$6,285,129	\$6,285,129